

1849. animadversion; but while the answer itself discloses to whom and how these loans were made, and that £12,000 for interest alone remain due to the government, it is impossible to sustain such transactions. Nothing can be more objectionable than the mode and manner of the investment of the money, as shewn in the answer; and besides for the sum of £350, admitted to have been used by *Paterson*, there is no security at all, and for the £1,000 there is no security which can be made available, *Paterson* being both the mortgagor and the assignee of the mortgagee.

Hamilton
v.
Desjardins
Canal Co.

16th Nov.—The judgment of the court was delivered by

Judgment.

THE CHANCELLOR*.—The bill in this case has been filed by *Hamilton* and certain others, *shareholders of the Desjardins Canal Company*, on behalf of themselves and all other shareholders who shall come in and contribute, against the directors of the company, and the company. The bill commences with a statement of an act passed by the legislature of Upper Canada, in the 7th year of the reign of Geo. IV., by which the *Desjardins Canal Company* was incorporated. It then states an act passed in the 9th year of her present Majesty's reign, authorising the said company to raise a further sum of £25,000 for the purpose of completing their works, and in reciting the last mentioned act, it sets forth at length the third clause to which I shall have occasion to refer more particularly by and by. The bill alleges that the company went into operation, and that its works were some time since so far completed as to have become available to the public, and that the revenue derived from tolls has been considerable: that the defendant *Paterson*, had been elected president in 1841, which office he continued to fill up to the time this suit was instituted: that *Paterson*, during the time he so continued president, possessed himself of the books and papers of the company, and received all the moneys payable to the company, and managed its concerns to the exclusion of his co-directors, in

* *ESTEN*, V. C., having been concerned in the cause while at the bar, gave no judgment.

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